

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION
OFFICIAL FILE COPY

1. TRANSMITTAL NUMBER:

0 1 — 0 3 1

2. STATE:

Arkansas

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

March 1, 2002

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 440.120(d)

7. FEDERAL BUDGET IMPACT:

a. FFY 2002 \$(738,530.00)

b. FFY 2003 \$(1,294,710.00)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Please see attached listing

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Please see attached listing

10. SUBJECT OF AMENDMENT:

The Arkansas Title XIX State Plan has been amended to delete eyeglasses and contact lens coverage for recipients age 21 and older.

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Ray Hanley

14. TITLE:

Director, Division of Medical Services

15. DATE SUBMITTED:

November 30, 2001

16. RETURN TO:

Division of Medical Services
P. O. Box 1437
Little Rock, AR 72203-1437

Attention: Binnie Alberius
Slot ~~XXXX~~ S295

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

4 DECEMBER 2001

18. DATE APPROVED:

21 DECEMBER 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

1 MARCH 2002

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

CALVIN G. CLINE

22. TITLE:

ASSOCIATE REGIONAL ADMINISTRATOR
DIV OF MEDICAID AND STATE OPERATIONS

23. REMARKS:

**ATTACHED LISTING FOR
ARKANSAS STATE PLAN
TRANSMITTAL #01-031**

**8. Number of the Plan
Section or Attachment**

Attachment 3.1-A, Page 1o

Attachment 3.1-A, Page 5d

Attachment 3.1-B, Page 2n

Attachment 3.1-B, Page 5c

**9. Number of the Superseded Plan
Section or Attachment**

Attachment 3.1-A, Page 1o
Approved 08-03-01, TN 01-15

Attachment 3.1-A, Page 5d
Approved 11-19-91, TN 91-28

Attachment 3.1-B, Page 2n
Approved 08-03-01, TN 01-15

Attachment 3.1-B, Page 5c
Approved 11-19-91, TN 91-28

**ARKANSAS MEDICAID FEDERAL BUDGET IMPACT
FEDERAL PLAN TRANSMITTAL 2001 - 031
DELETION OF EYEGLASSES/CONTACT LENS COVERAGE FOR AGE 21
AND OVER**

Effective for dates of service occurring March 1, 2002 and after, the Arkansas Department of Human Services (DHS) will no longer cover eyeglasses, contact lens and applicable dispensing fees for Medicaid eligible clients age 21 and over. Approximately 35,000 Medicaid clients will be affected annually by this change. Deleting this coverage will result in an estimated Medicaid annual savings of \$1,743,013. The estimated annual savings amount was calculated based on State Fiscal Year (SFY) ending June 30, 2001 reimbursement and paid unit information for these services as obtained from the Decision Support System (DSS) payment history database. For budget impact savings identification purposes, we estimated that the annual reimbursement for Federal Fiscal Year (FFY) 2002 and FFY 2003 would remain the same as SFY 2001 if these changes are not implemented.

The complete budget impacts for FFY 2002 (7 months = \$1,016,699 total savings, Federal = \$738,530, State = \$278,169) and FFY 2003 (12 months = \$1,743,013 total savings, Federal = \$1,294,710, State = \$448,303) are reflected on the attached schedule.

**ARKANSAS MEDICAID BUDGET IMPACT
STATE PLAN TRANSMITTAL 2001 - 031
DELETION OF EYEGLASSES/CONTACT LENS COVERAGE FOR AGE 21 AND OVER
ESTIMATED SAVINGS SCHEDULE**

	<u>FFY 2002 Impact</u>	<u>FFY 2003 Impact</u>
<u>Estimated Annual Savings Calculated</u>		
<u>Per State Fiscal Year (SFY) 2001 Reimbursement</u>		
Eyeglasses and Contact Lens	\$ 743,346	\$ 743,346
Dispensing Fee	\$ 999,667	\$ 999,667
Total Annual Savings	<u>\$ 1,743,013</u>	<u>\$ 1,743,013</u>
 Estimated Savings Amount 03/01/02 - 09/30/02 (7 Months = 58.33%)	 \$ 1,016,699	
 Estimated Savings Amount 10/01/02 - 09/30/03 (12 Months)		 \$ 1,743,013
 Federal Match Rate - 02/01/02 - 09/30/02	 72.64%	
State Match Rate - 02/01/02 - 09/30/02	27.36%	
 Federal Match Rate - 10/01/02 - 09/30/03		 74.28%
State Match Rate - 10/01/02 - 09/30/03		25.72%
 Federal Amount	 \$ 738,530	 \$ 1,294,710
State Amount	<u>\$ 278,169</u>	<u>\$ 448,303</u>
 Total FFY Savings	 <u><u>\$ 1,016,699</u></u>	 <u><u>\$ 1,743,013</u></u>

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE ARKANSAS

ATTACHMENT 3.1-A
Page 1a

AMOUNT, DURATION AND SCOPE OF
SERVICES PROVIDED

Revised: March 1, 2002

CATEGORICALLY NEEDY

4.b. Early and Periodic Screening and Diagnosis of Individuals Under 21 Years of Age, and Treatment of Conditions Found. (Continued)

(14) Eyeglasses

Provision of glasses and/or contact lens for eligible recipients. The following limits are imposed.

- (1) One pair of glasses every twelve (12) months for eligible recipients under 21 years of age in the Child Health Services (EPSDT) Program. Under special circumstances, additional glasses may be authorized. Repairs include any repair necessary to render the eyeglasses serviceable.
- (2) Contact lens are covered for recipients under 21 years of age if either of the following conditions are exhibited by the patient:
 - a. Medical Necessity
 - b. Cataract patients

Prior authorization is required by the Medical Assistance Section. Lens replacement is allowed as medically necessary.

(15) Physical Therapy and Related Services

a. Physical Therapy

- (1) Services are limited to eligible Medicaid recipients in the Child Health Services (EPSDT) Program.
- (2) Effective for dates of service on or after October 1, 1999, evaluations are limited to four (4) units per State Fiscal Year (July 1 through June 30). One unit equals 30 minutes. Extensions of the benefit limit will be provided if medically necessary.
- (3) Services must be prescribed by a physician and provided by or under the supervision of a qualified physical therapist.
- (4) Effective for dates of service on or after October 1, 1999, individual and group therapy are limited to four (4) units per day. One unit equals 15 minutes. Extensions of the benefit limit will be provided if medically necessary.

SUPERSEDES TN- 01-15

STATE	<u>Arkansas</u>
DATE RECD	<u>12-04-01</u>
DATE APP'D	<u>12-21-01</u>
DATE EFF	<u>03-01-02</u>
HCFA 179	<u>AR-01-31</u>

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE ARKANSAS

ATTACHMENT 3.1-A
Page 5d

AMOUNT, DURATION AND SCOPE OF
SERVICES PROVIDED

Revised: March 1, 2002

CATEGORICALLY NEEDY

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12. Prescribed drugs, dentures and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist (Continued)

d. Eyeglasses

Refer to Attachment 3.1-A, Page 10, Item 14.

SUPERSEDES TN. 91-28

STATE	<u>Arkansas</u>
DATE REC'D	<u>12-04-01</u>
DATE APP'D	<u>12-21-01</u>
DATE EFF	<u>03-01-02</u>
HCFA 179	<u>AR-01-31</u>

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE ARKANSAS

ATTACHMENT 3.1-B
Page 2n

AMOUNT, DURATION AND SCOPE OF
SERVICES PROVIDED

Revised: March 1, 2002

MEDICALLY NEEDY

4.b. Early and Periodic Screening and Diagnosis of Individuals Under 21 Years of Age, and Treatment of Conditions Found. (Continued)

(14) Eyeglasses

Provision of glasses and/or contact lens for eligible recipients. The following limits are imposed.

- (1) One pair of glasses every twelve (12) months for eligible recipients under 21 years of age in the Child Health Services (EPSDT) Program. Under special circumstances, additional glasses may be authorized. Repairs include any repair necessary to render the eyeglasses serviceable.
- (2) Contact lens are covered for recipients under 21 years of age if either of the following conditions are exhibited by the patient:
 - a. Medical Necessity
 - b. Cataract patients

Prior authorization is required by the Medical Assistance Section. Lens replacement is allowed as medically necessary.

(15) Physical Therapy and Related Services

a. Physical Therapy

- (1) Services are limited to eligible Medicaid recipients in the Child Health Services (EPSDT) Program.
- (2) for dates of service on or after October 1, 1999, evaluations are limited to four (4) units per State Fiscal Year (July 1 through June 30). One unit equals 30 minutes. Extensions of the benefit limit will be provided if medically necessary.
- (3) Services must be prescribed by a physician and provided by or under the supervision of a qualified physical therapist.
- (4) Effective for dates of service on or after October 1, 1999, individual and group therapy are limited to four (4) units per day. One unit equals 15 minutes. Effective Extensions of the benefit limit will be provided if medically necessary.

SUPERSEDES TN- 01-15

STATE	<u>Arkansas</u>
DATE REC'D	<u>12-04-01</u>
DATE APP'D	<u>12-21-01</u>
DATE EFF	<u>03-01-02</u>
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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE ARKANSAS

ATTACHMENT 3.1-B
Page 5c

AMOUNT, DURATION AND SCOPE OF
SERVICES PROVIDED

Revised: March 1, 2002

MEDICALLY NEEDED

12. Prescribed drugs, dentures and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist (Continued)

d. Eyeglasses

Refer to Attachment 3.1-B, Page 2n, Item 14.

SUPERSEDES TN- 91-28

STATE	Arkansas
DATE REC'D	12-04-01
DATE APP'D	12-21-01
DATE EFF.	03-01-02
HCFA 179	Ark-01-31

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**DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services**

Calvin G. Cline
Associate Regional Administrator, Medicaid and State Operations

1301 Young Street, Room 827
Dallas, Texas 75202
Phone (214) 767-6301
Fax (214) 767-0270

December 21, 2001

Our Reference: SPA-AR-01-31

Mr. Ray Hanley, Director
Division of Medical Services – Slot 1103
Arkansas Department of Human Services
Post Office Box 1437
Little Rock, Arkansas 72203-1437

Dear Mr. Hanley:

We have enclosed a copy of HCFA-179, Transmittal Number 01-31, dated November 30, 2001.
This amendment deletes coverage of eyeglasses and contact lenses for recipients age 21 and older.

We have approved the amendment for incorporation into the official Arkansas State Plan effective March 1, 2002. If you have any questions, please call Bill Brooks at (214) 767-4461.

Sincerely,

Calvin G. Cline
Associate Regional Administrator
Division of Medicaid and State Operations

Enclosure

cc: Elliott Weisman, CMSO

